



December 20, 2019

Via Email Only

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Digital Media Solutions v. South University, 1:19-CV-00145

Dear Colette:

I am writing to inquire whether our client Stephanie Porreca's payments to your clients Studio Enterprise Manager, LLC and the Art Institutes are eligible for the HLC Student Loan Forgiveness ordered by the Court. Dkt. 501. As we explained in the Dunagan Intervenors' pleadings in response to Studio's Motion for a Bar Order, Ms. Porreca made payments on her tuition obligations to Illinois Art Institute-Schaumburg in 2019 (as well as prior) through auto-collections by Tuition Options. Dkt. 496, 500. We understand from Studio's pleadings that the collections from Ms. Porreca in 2019 would have been made on behalf of Studio. Dkt. 449 at ¶¶ 1, 32, 33.

You stated that "if Stephanie Porreca is able to demonstrate that she is entitled to the HLC Student Loan Forgiveness, she can follow the process and receive the same benefits as the other HLC Students." Dkt. 497 at 2. We are not clear on what process is being referenced, so we seek to make that demonstration here. As we stated in our pleadings, the institutional debt collected from Ms. Porreca by Tuition Options was recorded as being disbursed in July 2017 (Dkt. 496-3), and was recorded by the Art Institute as applying to tuition in 2017 and 2018. Dkt. 496-1. We believe that all tuition obligations incurred by Ms. Porreca on or after January 20, 2018, when the school lost its accreditation, were incurred as a result of fraudulent misrepresentations by DCEH, regardless of when Ms. Porreca initiated the installment payment plan with her school to pay her tuition for the 2017-18 school year.

Please let us know your position on whether the loan forgiveness ordered by the Court applies to Ms. Porreca or if there is additional information that you require to make that determination. If you conclude that she does not qualify for loan forgiveness under the Order, please advise what criteria for qualifying she has failed to satisfy.



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Thank you for your attention to this matter. We are available to get on the phone to discuss this further.

Very Truly Yours,

/s/Eric Rothschild

Eric Rothschild
Litigation Director